

MINUTES
State Allocation Board
July 25, 2007

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 4203 of the State Capitol in Sacramento, California on July 25, 2007 at 2:30 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance
- Will Semmes, Chief Deputy Director, Department of General Services, designated alternate for Will Bush, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education, designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett
- Senator Jack Scott
- Senator Joe Simitian
- Assembly Member Gene Mullin
- Assembly Member Jean Fuller
- Assembly Member Kevin de León

Representatives of the State Allocation Board (SAB) were as follows:

Rob Cook, Executive Officer
Lori L. Morgan, Deputy Executive Officer
Mavonne Garrity, Assistant Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC), were as follows:

Rob Cook, Executive Officer
Lori L. Morgan, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Henry D. Nanjo, Senior Staff Counsel

With a quorum present, Anne Sheehan, Chair, called the meeting to order at 2:41 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the June 27, 2007 SAB meeting.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board of the following information:

Contracts Awarded

The contracts for the Financial Hardship and the Grant Adequacy studies were awarded to Macias Consulting Firm. The Firm has already begun work on the studies, and the Board will be updated periodically on the progress.

Regulation Updates

- The emergency regulations for the Emergency Repair Program and the Career Technical Education Facilities Program were approved by the Office of Administrative Law (OAL) on July 2, 2007 and July 13, 2007, respectively.
- The regulations for Repayment Schedules for Amounts Due to the State were approved by the OAL on June 20, 2007.
- The High Performance criteria will be presented at the SAB Implementation Committee meeting in August 2007. It is anticipated that proposed regulations will be presented for the Board's consideration at the August or September SAB meeting.
- Ongoing discussions regarding Seismic Mitigation funding (\$199.5 million) will continue at the August 2007 SAB Implementation Committee meeting. It is anticipated that regulations will be presented to the SAB at the next available meeting.

Attorney General Opinion

At the March 2007 SAB meeting, staff was requested to seek a legal opinion from the Attorney General's Office to clarify if funds used for the fiscal solvency of a district's health and/or retirement program would be considered a one-time expenditure or an ongoing expenditure pursuant to the regulations for Senate Bill 1415 (Scott), Chapter 810, Statutes of 2006. The request has been assigned to an attorney and staff will report back to the Board when the Opinion has been rendered.

CONSENT ITEMS

In considering this item, the Board approved the consent calendar as presented.

FINANCIAL REPORTS***Status of Funds***

The Board accepted the Status of Funds report as presented. The Executive Officer stated that the OPSC will be monitoring the rate of apportionments for the Emergency Repair Program (ERP) since the ERP will be operational as a Grant Program. Further, it was stated that the Department of Finance will have the flexibility to ensure that continuous funding be made available for the Program.

FINANCIAL REPORTS (cont.)***Administrative Costs for Fiscal Year 2007/2008***

In considering this item, the Board approved the staff's recommendations. The Board requested staff to provide a detailed breakdown of the OPSC's support budget, which includes personnel services and operating expenses.

SPECIAL CONSENT ITEMS***Charter School Facilities Program Extension of Time Limit on Preliminary Charter School Appotionment***

In considering this item, the Board approved the staff's recommendation.

Inglewood Unified/Los Angeles 51/64634-00-002

In considering this item, the Board approved the staff's recommendation.

Rim of the World Unified/San Bernardino 58/67868-00-003

In considering this item, the Board approved the staff's recommendations.

Riverside County Office of Education/Riverside 58/10330-00-001, 002 and 003

In considering this item, the Board approved the staff's recommendation. Additionally, Senator Margett requested that the Riverside County Office of Education address questions relating to the remediation of mold at three school sites.

Pittsburg Unified/Contra Costa 51/61788-00-001

In considering this item, the Board approved the staff's recommendations.

SPECIALS/APPEALS***Val Verde Unified/Riverside 50/75242-00-000***

As requested by the Board, the continuation of the District's appeal that was presented at the May and June SAB meetings was brought back for reconsideration at this meeting. A motion was made to approve the staff's recommendations which were to: 1) deny the District's request and recommend that the Certificates of Participation revenue (currently \$89,234,421) be deemed available as local matching contribution toward future School Facility Program projects; and, 2) request staff to bring back items to a future SAB meeting to address the potential discrepancies discovered during the review of the District's projects for this appeal. The Chair requested a roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett	X			
Senator Scott	X			
Senator Simitian	X			
Assembly Member Mullin	X			
Assembly Member Fuller	X			
Assembly Member de León	X			
Will Semmes	X			
Kathleen Moore	X			
Rosario Girard	X			
Anne Sheehan			X	
Total	9		1	

Motion:Carried X Failed ***School Facility Program Joint-Use Projects***

Ms. Lis Johnson, Superintendent, and Ms. Christina Becker, Director of Facilities, representing the Santee Elementary School District addressed the Board by answering questions focused on the Santee School District Foundation, which was the joint-use partner for the projects. A motion was made, and carried (with Senator Scott abstaining) to approve the 38 joint-use projects totaling \$32,208,718 and to bring back the Roseland Elementary School District's joint-use project to the August 2007 SAB meeting, without prejudice. The Board members requested clarification on the applicant's joint-use partner (Roseland Charter School). A second motion was made, and carried, to bring back to the August SAB meeting the 18 applications that were disqualified due to a new policy related to local bond language. Finally, it was requested that the OPSC provide copies to the Board members of the School Facility Joint-Use Program regulations and the associated statutes for discussion purposes.

Assembly Bill 127 Grant Increase – Project Information Worksheet

Mr. Tom Duffy, representing the Coalition for Adequate School Housing, addressed the Board and expressed concerns regarding the Project Information Worksheet. The Board requested that staff continue to work with the stakeholders and bring back a revised worksheet to the August 2007 SAB meeting.

Santa Maria Joint Union High/Santa Barbara 57/69310-00-001

In considering this item, the Board approved the staff's recommendations. In addition, staff provided further clarification that projects meeting the grace period would be processed at the administrative level.

Davis Joint Unified/Yolo 50/72678-00-006

This item was withdrawn.

REGULATIONS***Labor Compliance Program Grants***

This item was postponed to the next available SAB meeting once the informal Attorney General's opinion has been obtained.

REPORTS***Process of State Allocation Board Agenda***

The Board accepted the report. In addition, the Board requested that in the future exceptions to the process be presented for Board consideration.

INFORMATION/REFERENCE***SAB Meeting Dates for the Calendar Year 2007******School Facility Program Workload List - Applications Received Through July 2, 2007******Deferred Maintenance Program Unfunded List as of June 27, 2007******Facility Hardship/Rehabilitation Approvals Without Funding List as of June 27, 2007*****CLOSED SESSION**

At 4:26 p.m. and in accordance with Section 11126(e)(1), the Board convened into two closed sessions for the purpose of conferring with and receiving advice from counsel regarding: 1) *Godinez v. Schwarzenegger, et al.*, and 2) *Val Verde Unified School District et al v. State of California et al.*

Upon conclusion of the closed sessions, the Board reconvened into open session at 4:56 p.m.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 4:57 p.m.



ROB COOK, Executive Officer